

Message Text

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45

ACTION EA-14

INFO OCT-01 ADP-00 PM-09 NSC-10 SS-15 RSC-01 CIAE-00

DODE-00 INR-10 NSAE-00 PA-03 USIA-12 PRS-01 IO-12

EB-11 COME-00 TRSE-00 NIC-01 ACDA-19 AID-20 IGA-02

AGR-20 COA-02 INT-08 SCEM-02 DOTE-00 RSR-01 SIL-01

LAB-06 /181 W

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R 110005 Z APR 73

FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 6645

INFO AOJMBASSY BANGKOK 3295

LIMITED OFFICIAL USE RANGOON 0847

E. O. 11652: N/A

TAGS : PINT, ECON, BM

SUBJECT: EXTRAORDINARY BSPP CONGRESS OPENS: BURMA'S
DIFFICULTIES SPOTLIGHTED

SUMMARY: PRIME MINISTER U NE WIN OPENED EXTRAORDINARY CONGRESS
OF BURMA SOCIALIST PROG

2. PARTY WITH SPEECH IN WHICH HE FRANKLY
ADMITTED DEFICIENCIES IN COUNTRY'S ECONOMIC ACHIEVEMENTS AND
CALLED FOR MOBILIZATION OF CAPABILITIES OF ALL THE PEOPLE,
INCLUDING PRIVATE ENTREPRENEURS, TECHNICIANS AND INTELLECTUALS,
AS WELL AS PEASANTS AND WORKERS. REPORTS SUBMITTED TO CONGRESS
WERE REMARKABLY CANDID AND DETAILED IN DISCLOSING CURRENT SHORT-
FALLS AGAINST ECONOMIC PLANNING GOALS SET AT 1972 CONGRESS.
COOPERATIVES CAME IN FOR PARTICULARLY ACUTE CRITICISM, WITH
THEIR POWERS AND FUNCTIONS TO BE CURBED. RUMORS THAT COOPERA-
TIVES MINISTER U BAY NYEIN AND OTHERS WILL BE DISMISSED ARE AGAIN
CIRCULATING. SECOND PARTY CONGRESS WILL BE HELD IN SEPTEMBER.
END SUMMARY

1. BSPP EXTRAORDINARY CONGRESS WHICH OPENED APRIL 7 AND IS
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EXPECTED TO LAST A WEEK WAS ORGANIZED WITH CONSIDERABLE SECRECY.
SESSION IS BEING HELD OSTENSIBLY TO MAKE ARRANGEMENTS FOR

SYNCHRONIZING TERMS OF OFFICE OF BSPP FUNCTIONARIES (1971 CONGRESS SET THEM FOR FOUR YEARS, UNTIL 1975) WITH THOSE OF MEMBERS OF PEOPLE'S CONGRESS AND COUNCILS WHICH WILL BEGIN IN 1974 UNDER NEW STATE CONSTITUTION. DISMISSAL LAST YEAR OF TWO CABINET MINISTERS WHO SIMULTANEOUSLY HELD IMPORTANT POSITIONS IN BSPP COMMITTEES, TOGETHER WITH REPORTS THAT OTHER LEADING FIGURES IN GUB AND BSPP MAY BE ON WAY UP OR ON WAY DOWN, MAY HAVE CREATED NEED FOR CERTAIN AMOUNT OF RESHUFFLING WITHIN BSPP STRUCTURE AND HIERARCHY. SECOND PARTY CONGRESS, WHICH PRESS HAS ANNOUNCED WILL BE HELD IN SEPTEMBER, IS REPORTEDLY FOR PURPOSE OF HOLDING NEW ELECTIONS OF CENTRAL PARTY ORGANS AND EXPEDITING IMPLEMENTATION OF SIX MAJOR RESOLUTIONS PASSED BY FIRST CONGRESS IN 1971, LARGELY IN SPHERE OF NATION-
?78)\$8,&, ALTHOUGH HERE AGAIN GUB LEADERSHIP WILL HAVE OPPORTUNITY TO REORDER MATTERS AS IT WISHES IN LAYING GROUNDWORK FOR PROMULGATION OF NEW STATE CONSTITUTION.

2. NE WIN'S OPENING SPEECH CONTAINED USUAL GENERALITIES BUT WAS ALSO REMARKABLE FOR FOLLOWING POINTS:

(A) UNCOMPROMISING ASSERTION THAT CONFLICTS AND ANTAGONISMS WILL NOT BE PERMITTED IN PARTY ELECTIONS. THE PROPER PEOPLE, HE SAID, WILL BE AUTOMATICALLY ELECTED EVEN IF THEY DO NOT TAKE INITIATIVE IN STANDING FOR ELECTION OR CANVASSING VOTES

(B) FRANK ADMISSION THAT TALENTS OF PRIVATE BUSINESSMEN, TECHNICIANS AND INTELLECTUALS HAVE NOT BEEN FULLY UTILIZED IN THE PAST, AND CALL FOR THEIR IDEAS, INDUSTRY AND CAPABILITIES TO BE HARNESSSED SO AS TO REDUCE UNEMPLOYMENT AND BOOST PRODUCTION. AT THE SAME TIME NE WIN QUALIFIED HIS INVITATION BY ADDING THAT SUCH ELEMENTS CANNOT BE GIVEN A COMPLETELY FREE REIN " BECAUSE THAT WOULD PAVE THE WAY FOR A RETURN TO CAPITALISM, DETRIMENTAL TO SOCIALISM."

(C) RECOGNITION THAT ECONOMIC DEVELOPMENT HAS BEEN LAGGING FOR VARIOUS OTHER REASONS, WITH THE FINGER POINTED PARTICULARLY AT THE COOPERATIVES AND THE GENERAL PUBLIC ALSO BEING EN-
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JOINED TO PARTICIPATE MORE WILLINGLY AND KNOWLEDGEABLY IN THEIR OPERATION.

3. SO- CALLED POLITICAL REPORT INCLUDES SECTION ON THE ECONOMY AND DEALS IN FRANK AND CONSIDERABLE DETAIL WITH (A) RICE SHORTAGE PROBLEM; (B) SHORTFALLS IN ECONOMIC PLANS AND REASONS THEREFOR; (C) LACK OF SUCCESS OF COOPERATIVES, WITH COMMODITIES BECOMING SCARCE, PRICES SOARING, CORRUPTION SETTING IN, MIDDLE-MEN NOT BEING REMOVED, AND INDIVIDUAL COOPERATIVES BECOMING UNCOORDINATED AMONG THEMSELVES.

4. REPORT ADDS THAT VARIOUS CORRECTIVE ACTIONS RE COOPERATIVES HAVE BEEN TAKEN, INCLUDING THE FOLLOWING:

(A) THEY SHALL UNDERTAKE ONLY RICE TRADE IN 1972-73 (REFERENCE IS PRESUMABLY TO BALANCE OF FISCAL YEAR WHICH ENDS SEPTEMBER 30) AND WILL RETURN WEAVING INDUSTRY TO THE STATE;

(B) ONLY PROFITABLE SLAUGHTER HOUSES AND FISHERIES WILL BE RETAINED, WITH ENTITIES OPERATING AT LOSS BEING RETURNED TO PRIVATE OPERATORS;

(C) THE OIL BUSINESS AND OTHER UNSPECIFIED LINES OF BUSINESS SHALL BE HANDLED IN COMPETITION WITH PRIVATE BUSINESS WHERE THIS IS POSSIBLE;

(D) INOPERABLE GOVERNMENT BUSES AND RIVERINE CRAFT WILL BE AUCTIONED TO PRIVATE SECTOR
R TO IMPROVE TRANSPORTATION SERVICE

5. COMMENT: (A) NE WIN'S SPEECH AND REPORTS TO CONGRESS HAVE MADE PUBLIC, MORE FRANKLY THAN HERETOFORE, THE COUNTRY'S PRESENT ECONOMIC STRAITS. APPEAL TO PRIVATE SECTOR TO PITCH IN AND HELP WILL RECEIVE IRONIC RESPONSE FROM FORMER BUSINESSMEN WHOSE ENTERPRISES WERE TAKEN OVER, SOME OF WHOM WERE IMPRISONED AND WHO ARE NOW MAKING WHATEVER MODEST LIVELIHOOD THEY CAN. IT IS MOST UNLIKELY THAT THEY WILL BE WILLING TO RISK THEIR FUTURES AGAIN WITHOUT ANY GUARANTEE THAT NE WIN WILL NOT TURN LIMITED OFFICIAL USE

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AGAINST THEM AT SOME FUTURE DATE. ALSO, AS "WORKING PEOPLE'S DAILY" EDITORIAL (ALTHOUGH NATURALLY ENDORSING NE WIN'S PROPOSAL) NOTES, "THE WORKING CLASS CADRES MAY NOW FIND IT DIFFICULT TO SUDDENLY STOP CONFRONTATION AND SEEK COOPERATION WITH THE ENTREPRENEURS" WHICH THEY HAD REGARDED AS A "VIRULENT SPECIES" DESERVING OF NO PITY OR SYMPATHY.

(B) "INTELLECTUALS", WHATEVER ELEMENTS MAY BE INCLUDED IN THAT BROAD TERM, WILL LIKEWISE BE CHARY OF FULL INVOLVEMENT WITH A REGIME WHICH IN PAST HAS TREATED THEM WITH DISTRUST AND SUSPICION, AND HAS EXCLUDED THEM FROM ANY SIGNIFICANT ROLE IN FORMULATING OR IMPLEMENTING POLICIES AT NATIONAL OR EVEN LOCAL LEVEL.

(C) COOPERATIVES HAVE OBVIOUSLY NOT LIVED UP TO GUB'S HOPES, AND TRIMMING OF THEIR FUNCTIONS SERVES TO DISCREDIT COOPERATIVES MINISTER U BA NYEIN. RUMORS ARE AGAIN CIRCULATING THAT HE MAY SOON BE DISMISSED TOGETHER WITH CERTAIN SECONDARY ECHELON SUPERVISORY PERSONNEL. IN ANY EVENT, HIS EXTREMELY LEFT WING AND HEAVILY THEORETICAL APPROACH TO THE BEST MEANS OF BURMA'S ECONOMIC DEVELOPMENT MAY HAVE RECEIVED A SETBACK. BURMESE

" WAY TO SOCIALISM" SEEMS INCREASINGLY TO BE CONFRONTING
DILEMMA BETWEEN DOGGED ADHERENCE TO ITS DOCTRINES, WHICH
ARE NOT WORKING OUT AS ANTICIPATED, AND THE REALITIES OF COUN-
TRY' S ECONOMIC STRAITS, WHICH CALL FOR LESS RIGIDITY AND MORE
PRAGMATISM.

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<< END OF DOCUMENT >>

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